

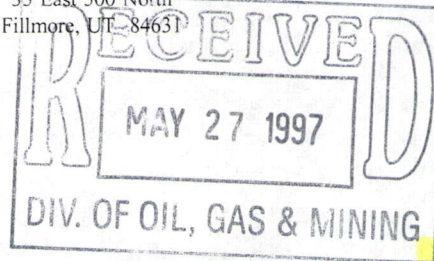
M/027/007



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
HOUSE RANGE/WARM SPRINGS RESOURCE AREA

35 East 500 North
Fillmore, UT 84631



IN REPLY REFER TO:
3800

(U-054)

UTU-063447-01

May 22, 1997

CERTIFIED MAIL #P 556 237 715

E B KING
PRESIDENT
JUMBO MINING COMPANY
6305 FERN SPRING COVE
AUSTIN TX 78730

Dear Mr. King:

On March 5, 1990, this office received from you an amendment to the Plan of Operations for the Drum Mine. This amendment proposed a new open pit mine (the Mizpah pit) to be opened up on the Sadie #1 and #2 claims (UMC 154057-8), and the Mizpah #1 and #6 claims (UMC 154051 and 154056). On May 15, 1990, the amendment was approved by this office.

On August 3, 1992, The State of Utah, Division of Oil, Gas and Mining (UDOGM) granted tentative approval for the mine. The agency stipulated that you provide a replacement surety of \$93,500, \$39,800 of which was for the Mizpah pit area, before full approval could be granted. The surety was never provided, and no mining has taken place.

On January 15, 1997, this office sent you a letter that stated the following:


The exploration of the Mizpah site was conducted by Western States under three Notices of Intent. Jumbo has since submitted to us a POO to mine the site. The POO was approved by the BLM, but not by the Utah Division of Oil, Gas and Mining (UDOGM), and there has been no activity at the site since you acquired the claims. However, the road to the site was built by Jumbo in 1989. The original purpose of this road was to haul ore from the Alto mine, which is on private land. Since you never assumed reclamation liability for the exploration activities at the Mizpah site, we will require Western States to begin reclamation at

this site within 90 days of receipt of this letter, unless by that date you have submitted an additional bond to cover the costs of both the reclamation of the existing exploration disturbances and the Alto haul road. If you do not submit the bond, we will require that you either immediately begin reclamation of the road or apply for a right of way.

You received the letter on January 21, 1997. As of April 21, 1997, 90 days had passed. You must now either reclaim the road or apply for the right-of-way (ROW). We will allow 30 days from the receipt of this letter for you to either commence reclamation or make the application. Failure to do so will result in our withdrawal of approval for the Mizpah pit.

We would like to meet with you and discuss your future plans for the mine site. Our new geologist, Ron Teseneer, has never had the opportunity to meet with you personally, and we feel that such a meeting would be helpful to us in determining what future regulatory action we need to take towards the Drum Mine. If you would like to meet with us and tell us how you intend to solve the problems at the mine, please contact Ron Teseneer at (801)743-3100.

Sincerely,


Rex Rowley
Area Manager

cc: Western States Minerals, 4975 Van Gordon St., Wheat
Ridge, CO 80033

Darrell Willden, PO Box 336, Delta, UT 84624

Wayne Hedberg, UDOGM

FILED

APR 22 1997

SECRETARY, BOARD OF
OIL, GAS & MINING

BEFORE THE BOARD OF OIL, GAS AND MINING

DEPARTMENT OF NATURAL RESOURCES

STATE OF UTAH

IN THE MATTER OF THE PETITION)	
FILED BY THE DIVISION OF OIL, GAS)	
AND MINING FOR AN ORDER)	
REQUIRING IMMEDIATE)	MOTION OF WESTERN STATES
RECLAMATION OF THE DRUM MINE,)	MINERALS CORPORATION FOR
FROM WESTERN STATES MINERALS)	EXTENSION OF TIME TO RESPOND
CORPORATION AND JUMBO MINING)	TO NOTICE FOR AGENCY ACTION
COMPANY, MILLARD COUNTY, UTAH)	AND FOR CONTINUANCE OF
)	HEARING
)	
)	
)	Docket No. 97-009
)	Cause No. M/027/007
)	
)	
)	

MOTION

RESPONDENT WESTERN STATES MINERALS CORPORATION

("WSMC"), by and through its undersigned attorneys, hereby moves the Board of Oil, Gas and Mining ("Board") for an order, in the form set forth below, extending the time for WSMC to file a response to the Notice for Agency Action filed by the Division of Oil, Gas and Mining ("Division") in this matter until June 27, 1997, and continuing the hearing set by the Division for May 28, 1997, until the Board's regularly scheduled hearing date on July 30, 1997. WSMC's motion is based on the grounds that the Division's Notice for Agency Action poses novel issues and requests extraordinary relief, which will require additional time for research and review before any responsive pleading can be filed. As additional grounds, WSMC alleges as follows:

1. As documented in Exhibit "E" to the Division's Notice of Agency Action, the Division, on July 27, 1989, approved a partial transfer of WSMC's mining permit for the Drum Mine to respondent Jumbo Mining Corporation ("JMC") and specifically stated therein that complete transfer of the permit would be accomplished once two conditions had been met: (i) resolution of the topsoil issue and (ii) resolution of the dispute then ongoing between WSMC and JMC over ultimate reclamation responsibility for the Drum Mine. Both conditions have been satisfied. The Division itself has determined the adequacy of topsoil. The dispute between WSMC and JMC went to litigation in a Colorado court and that court determined the parties' respective reclamation responsibility by issuing a final judgment in 1994 establishing that JMC, and not WSMC, is responsible for the reclamation of the Drum Mine. WSMC domesticated the Colorado judgment in Utah and forwarded a copy of the judgment to the Division. The judgment has not been stayed. Accordingly, all conditions subsequent that were made part of the Division's permit transfer of July 27, 1989, have been satisfied.

2. Now, rather than complete the transfer of the permit in accordance with its prior transfer order, the Division has initiated these proceedings, apparently seeking an order from the Board to compel WSMC to conduct reclamation, notwithstanding the satisfaction of the conditions of the Division's own permit transfer. This new Notice by the Division is contrary to its prior transfer of the Drum Mine permit and raises novel issues which, together with documents on file with the Division, must be evaluated thoroughly by WSMC before an appropriate response can be formulated and filed.

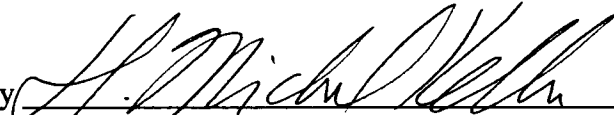
3. Granting the requested extension of time and continuance will not prejudice the interests of any of the parties.

WSMC, therefore, respectfully moves the Board for an order (i) granting WSMC an extension of time until June 27, 1997, within which to file a response to the Division's Notice for Agency Action and (ii) continuing the hearing set by the Division for May 28, 1997, until the Board's regularly scheduled hearing date on July 30, 1997.

Dated this 22nd day of April, 1997.

VAN COTT, BAGLEY, CORNWALL & McCARTHY

By



H. Michael Keller

Thomas W. Clawson

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